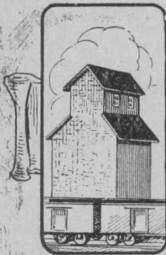




APRIL, 1919

THE
SASKATCHEWAN
CO-OPERATIVE
ELEVATOR CO. LTD.
NEWS





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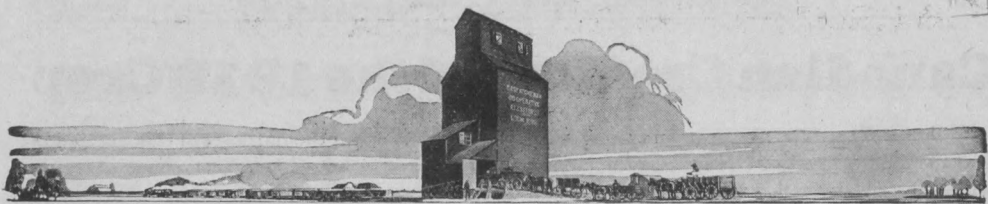
EDITOR: E. C. DAWSON

Contents

	Page
CANADIAN CREDITS AND THE 1919 CROP.....	4
THE DEMAND FOR A FIXED PRICE IN 1919.....	5
THE NEW HOSPITAL ELEVATOR AT PORT ARTHUR.....	9
WHEN THE FIXED PRICE WAS FIRST PROPOSED.....	12
WIRING OUTTURNS FOR BETTER SERVICE.....	18
THE MOVEMENT OF THE 1918 CROP.....	23
THE FARM AND RECONSTRUCTION.....	28
DOUBLE CAPACITY OF TERMINAL.....	28
THE FIRST GRAIN IN THE WEST.....	29
THE DEPARTMENT OF PUBLICITY.....	30
PRESENTATION TO JOHN THORDARSON.....	30
SENTIMENT AND SERVICE.....	31

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In This Issue of "The News"

WHY is it of the utmost importance that the Canadian Government should, by trade arrangements entered into at this time with European countries, make provision for the marketing of the Canadian wheat crop of 1919? If the answer to this question interests you, read the article entitled "Canadian Credits and the 1919 Crop," which begins on the next page. You will find there also some of the reasons why the United States, in the abnormal conditions which must prevail for some time, is likely to be a formidable competitor with Canada in the world's wheat markets unless Canada begins soon to take thought of the methods to be followed in marketing her next crop.

The article entitled "The Demand for a Fixed Price in 1919" is a review of those events of the last few months by which the attitude of Western farmers on this important question has been revealed. The account which it contains of the action of the several annual conventions of Grain Growers' Associations will be of special interest as correcting false impressions which have become current through misstatements which found their way into some newspapers.

Interested persons have been at some pains of late to establish in the public mind the belief that the price of wheat was first fixed in 1917 in order that the farmer might benefit. Recent discussion also suggests that some people have forgotten that the organized farmers of Western Canada, in 1917, made certain proposals to the Government respecting a fixed price which were rejected by the Government as unreasonable but which the course of events reveals as eminently fair, and even generous. The circumstances attending these negotiations are recalled in the article entitled "When the Fixed Price was First Proposed."

"The Movement of the 1918 Crop" presents in abridged form an interesting report by Dr. Magill, Chairman of the Board of Grain Supervisors, of the conditions faced by that body in 1918 and the measures adopted to meet those conditions.

Matters of special interest to shareholders are treated in several articles, notably that which deals with the services to be performed by the Company's new Hospital Elevator, now receiving grain. Some account is given also of arrangements made for transmitting outturns from Port Arthur to Winnipeg by leased wire. The decision of the Board of Directors to add 2,000,000 bushels to the storage capacity of the terminal plant is noted and other articles of general interest will be found in these pages.

Canadian Credits and the 1919 Crop

Will the Canadian Government be able to find the money necessary to finance the credits which must be extended to European countries if the trade agreements made recently by the Canadian Trade Mission are to be carried out?

This is the question with which Mr. Norman Lambert, Secretary of the Canadian Council of Agriculture, closes a recent letter from London, in which he gives an interesting account of trade agreements recently made with France, Belgium, Greece and Rumania. And the answer to Mr. Lambert's question is of the utmost interest to Western grain growers, because upon these and similar credit arrangements with European countries the successful marketing of the 1919 crop must depend.

The condition out of which this question arises can be indicated in terms which come easily within the comprehension of the ordinary reader, who is apt to be appalled by the seeming complexities of international trading. The normal life of European countries has been profoundly disturbed by four years of war. Certain of these countries—notably Belgium, Rumania and Northern France—have been devastated by conquering armies. But the remaining countries which were involved in the war—even Great Britain—have faced such continuous and exacting demands upon their resources, both of material and labour, that they have little or nothing which they can offer immediately in exchange for the things of which they stand in urgent need. It is for this reason that Great Britain has been obliged to restrict her imports; she must provide for a free flow of raw material which, when transformed into the manufactured product by British labour, will be available for use in exchange for the goods which she would secure from other countries. Countries like Belgium, Rumania and, in a lesser degree, France, must be provided on credit terms with seed, tools, machinery and even food, until such time as they can accumulate, by the use of their available resources of labour, the commodities with which alone they can pay for the things they need.

This arrangement must not, of course, be understood as implying an increase of the national debt in the countries extending credits. The credits will bear interest, the rate of which will be governed by the life of the loan, the risks by which it is attended and the security that can be offered. The essential

consideration for the purposes of this discussion is, however, that the largest share of trade with Europe during the next few years will be done by the country which is able to provide for the most generous extension of credits.

There is no need to assume that the Canadian Government has been wholly forgetful of the obligations which rest upon it in these circumstances. Mr. Lambert, in the London letter to which reference has already been made, states that Mr. Lloyd Harris, head of the Canadian Trade Mission, obtained before leaving this country for Europe, the assurance of Sir Thomas White that he could supply five hundred million dollars for such a programme, and then, if necessary, find more money for the Dominion Treasury by continuing his policy followed during the war, of asking the Canadian people to exercise thrift and lend money to the Government. "By so doing," to quote from Mr. Lambert's interesting and informative article, "the national debt of Canada would not be increased, because in the Treasury there would be the securities of those countries which might be extended credits for the purpose of purchasing Canadian products."

It is important to note that the resources of credit available in Canada must be small, both relatively and actually, when compared with those of the United States. The United States made large profits in the early years of the war and her financial resources are of great magnitude even when due recognition has been given to her recent vast war expenditures. Better than any country in the world she can afford to sell on credit. Canada, in any case a much smaller national unit, has incurred, proportionately, greater obligations during the war and for the necessary tasks of the reconstruction period. Taking into account, then, Canada's limited resources, it becomes a matter of vital importance that, in the allotment of such credits as she finds herself able to extend, agriculture shall receive, with the manufacturing interests of this country, fair treatment at the hands of the Government.

Has the Government been less alive than it ought to have been to its responsibilities in this matter? One would suppose that the members of the Winnipeg Grain Exchange and the Canadian Council of Agriculture would be as well informed as any public bodies

(Continued on page 20)

The Demand for a Fixed Price on 1919 Wheat

No one who has watched the course of events during the last two or three months could fail to have been impressed with the strength of opinion throughout Western Canada supporting the demand for a fixed price on the 1919 wheat crop. If there was, in the early days of the New Year, any doubt respecting the attitude which the organized farmers would adopt, that doubt must have passed very soon. Today it is safe to assert that when the annual convention of The Saskatchewan Grain Growers' Association declared itself in Regina on February 20th, it spoke the mind, not only of its membership of 40,000 farmers in Saskatchewan, but also of an overwhelming majority of the farmers in each of the prairie provinces.

Members of the trade are quite naturally eager for removal of the restrictions by which their operations have been confined during the period of the war. It may be assumed also that any government which might be in power would prefer to escape the responsibility of financing a guaranteed price in the conditions of uncertainty which must attend the marketing of the 1919 crop. Equally it may be assumed that the manufacturing interests, desirous of enlisting the resources of the country for the extension of credits to crippled European countries with which they seek to do business, would look with no favorable eye upon the assumption by the Government of this new responsibility.

In these circumstances it was inevitable that some opposition should manifest itself at the first suggestion that the annual conventions of organized farmers would request that, having submitted loyally in the interest of the consumer to restriction of their profits on the crops of 1917 and 1918, they should be assured against serious loss during this next year, when the world will be labouring to extricate itself from the abnormal conditions created during the state of war. The tactics adopted in the effort to discourage the farmers from making this request were characterized by peculiar subtlety. Their known devotion to low tariff doctrine was chosen as the most vulnerable point of attack, and every conceivable device was used to make it appear that the demand for a continuance of the fixed price during 1919 would commit them to approval of the high tariff policies to which they have always been violently opposed.

This campaign was not without some effect in its early stages. The annual convention of the Manitoba Grain Growers' Association was held in Brandon during the second week in January. The newspaper reports and those appearing in the agricultural papers gave only the most meagre account of the discussion of the proposal to demand a fixed price. It appears that sentiment was very strongly in its favour. The convention, however, was persuaded to express itself otherwise, certain of the leaders presenting the view that the farmers, by demanding a fixed price, would compromise their position in relation to the low tariff planks of the platform. The resolution finally passed was definite in its repudiation of the demand, and read as follows:

"Whereas, the fixing of the price of wheat was a war measure for the steadying of the market and the keeping down of the high cost of living; and

"Whereas, while we view with a large measure of concern the restoration of conditions which make possible speculation in the handling of our chief food product, yet we feel that the continuation of a fixed price might unduly bear on the consumer, and thus afford a measure of protection to the producer:

"Therefore, be it resolved that we reaffirm our stand taken at previous conventions, and which is on record, as being opposed to any form of protection, and that we do not ask for a fixed price for 1919."

Those who were interested in securing a return to the condition of open markets or who, for other reasons, were desirous that the price of the 1919 crop should not be fixed, hailed this pronouncement with rejoicing as an intimation of the attitude of the organized farmers of Western Canada, and none appear to have taken into account the fact that, whereas the Manitoba convention spoke for 7,500 organized farmers, the voice of the Saskatchewan Association, which would not be heard until the middle of the following month, would be that of 40,000 farmers, speaking for a province which raises more wheat than is grown in all the remaining provinces of the Dominion.

The convention of the United Farmers of Alberta met in Edmonton on January 21st.

The frame of mind in which the convention approached this question was unmistakable. The delegates, almost to a man, had come to demand a fixed price. And they found support for their determination in the annual address of the President, Mr. H. W. Wood. In justice to Mr. Wood, because of the role which he assumed later in the debate on the resolution, it should be noted that, in that part of his opening address which dealt with the sentiment in favour of a fixed price, he made some reference to "strong reasons" which might be urged against the proposal that the farmers should make this demand. At the same time, however, he presented a statement of the case for the fixed price which is one of the clearest and most convincing of the many statements made in the course of this discussion. Mr. Wood said, in part:

"It should be fully understood that it was not to raise the price, but to keep it down to a reasonable level that the price was fixed.

The conditions which existed in the wheat trade in 1917-18 would probably have put the price up to a very much higher level than that at which it was fixed. The turning loose of the accumulated supplies, which were unavailable during the war, may cause prices to slump much below the high level of other commodities. Surely, if it was just to arbitrarily hold the price of wheat down when abnormal conditions were forcing it up, it would seem just to arbitrarily hold it up when abnormal conditions will be forcing it down. Canada fixed the price of her wheat to correspond with that of the United States, and the United States fixed price will continue to cover the 1919 crop. Other prices, such as freight and passenger rates, are fixed and have been recently much raised. The express companies are clamoring for the privileges of higher fixed prices, and we can hardly hope that the Government will withstand them. The price of labour is much higher than formerly, and Mr. Gompers is reported as saying in a recent speech to a great labour gathering:

"We are in greater danger now than at any time during the war . . . by all means let us strive to hold wages at their present level."

"The basic industry of this country is agriculture and not manufactures. We hear volumes of chatter about great national institutions, but the national institution that is paramount in Canada is agriculture. Surely our Government would not willingly abandon agricultural prices and protect those of other

interests, especially in view of the fact that the returned soldiers are to be lured to the farm by an interesting series of booklets."

When the resolution dealing with this matter came before the convention Mr. Wood appeared as an opponent of the proposal to demand a fixed price. Taking into account the very high regard in which he is held by the organized farmers of Alberta, the hostility with which his statement was greeted was especially significant. There were many signs when he had concluded that the conversion of the delegates to the view which he presented was by no means complete and if a vote had been taken immediately it seemed certain that Mr. Wood would have come out of the struggle as the advocate of a lost cause. There was an intimation from the platform, however, that Mr. C. Rice-Jones, general manager of "The United Grain Growers' Ltd.," would make a statement to the convention "at the request of a delegate."

The advice of Mr. Rice-Jones would carry weight in the judgment of any gathering of organized Alberta farmers. In this instance, although he prefaced his speech with the warning that he expressed only his personal opinion, and did not speak for his company, his appeal undoubtedly gathered additional force from the assumptions which the delegates would make because they knew him to be the executive head of a farmers' co-operative grain marketing concern. The view presented by Mr. Rice-Jones was that the demand from the farmers for a fixed price would be greeted with pleasure by the manufacturers and that the fixing of the price would afford a good excuse to the Government for refusing to undertake tariff revision, while at the same time giving labour the opportunity to raise the cry that the farmers are profiteers. He thought they should balance the advantage of a fixed price for one year against the continuance of the present high tariff for a number of years. He would prefer to see the price left to be regulated by market conditions and something done to stop speculation.

"My idea," said Mr. Rice-Jones, "is an open market, money to enable every man to hold his grain next winter as long as he wants to, and the abolition of speculation on the Grain Exchange."

The appeal of Mr. Rice-Jones, coupled with that of Mr. Wood, was effective, and the convention accepted from the platform, though not without some protests from the floor, the suggestion that a committee be appointed,

with Mr. Rice-Jones as a member, to draft a substitute resolution embodying his suggestions. The text of this resolution followed very closely that passed at Brandon, but is interesting for the concession which it made to the temper of the Alberta convention, the definite repudiation of the demand for a fixed price being absent. With respect to the question actually under discussion, it was less an expression of opinion than the assumption of a pious attitude which might have the support of many who believed that the price should be fixed. It reads as follows:

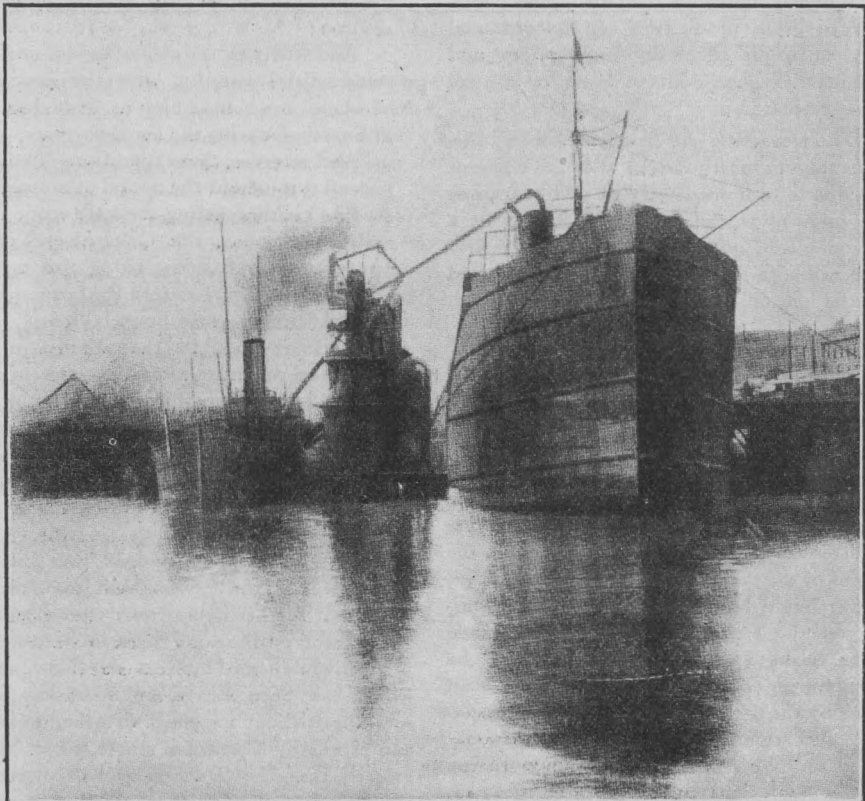
"Whereas the fixing of the price of wheat was a war measure for the steadying of the market and the keeping down of the high cost of living;

"Whereas, while we view with a large measure of concern the restoration of an open market that will make speculation possible in the handling of our chief food product, yet we realize that the continuation of a fixed price might unduly bear on the consumer; and

"Whereas we, as producers, are willing that the prices of our products be governed by the law of supply and demand, but protest against scalpers and speculators taking toll which frequently amounts to more than the profits of the producer:

"Therefore, be it resolved that we, the U.F.A. in convention assembled, demand that legislation be passed confining the dealing in all grain, on exchange or elsewhere, to cash grain and sales for actual future delivery of grain and grain products, and that steps be taken to provide the necessary credit to finance all farmers who have grain for sale until such time as they desire to market same."

Even while the Alberta convention was in session a hint was given of the attitude of farmers in Saskatchewan. The Legislature of this province was then sitting and the matter came before it in the form of a resolution presented by Mr. W. T. Badger, opposition member for Rosetown. The proposals coupled



Floating Pneumatic Grain-handling Plant, in working position discharging grain from the larger vessel into the coasting steamer. This plant was built recently in Manchester, Eng., for the French Government.

with the demand for a fixed price in this resolution were, however, regarded as impracticable and the member responsible for introducing it had the assistance of members from the Government side of the House, familiar with the grain trade, in drafting a new resolution which commanded the support of both parties and was passed. It reads as follows:

"Whereas the Government of Canada has not fixed the price of wheat for the crop of 1919; and

"Whereas, the price of Canadian wheat was fixed in 1917 and 1918 in the interest of the consuming public; and

"Whereas, a resolution advocating the fixing of the price for 1919 was recently passed by the Canadian Council of Agriculture; and

"Whereas, if a definite price is not arranged wheat values may be lowered to a point below the cost of production upon the sudden return to the open competitive system; and

"Whereas, implements and supplies necessary to grain production can be obtained only at unprecedentedly high prices and nothing has been done to lower or control these prices:

"Therefore, be it resolved that this Assembly earnestly urges the Government of Canada to immediately fix and guarantee the price of wheat for the 1919 crop at a reasonable figure to approximate as nearly as possible to the price fixed and guaranteed by the United States Government."

Not many days elapsed before signs were given that, when the organized farmers of Saskatchewan met in annual convention on February 18th, the action which they would take would correspond more nearly to that of the Provincial Legislature than to that taken either by the Brandon convention or the convention held in Edmonton. Interpreting the current of opinion as it was reflected in the columns of the press from day to day, a shrewd observer might have noticed a growing determination that the pronouncement to be made by the Saskatchewan convention should be so emphatic as to correct the impression created by the declarations of the sister associations; and this determination undoubtedly derived much of its force from the suspicion that the resolutions passed at these two conventions were not genuinely expressive of the view of a majority of the farmers in the Provinces for which they spoke, a suspicion which

has since been confirmed by events in Manitoba to which brief reference must be made.

The pronouncement of the Saskatchewan convention, made on February 20th, was as direct and as little open to the suspicion of double meaning as the fire of a machine gun. It will not be necessary to review the discussion. It was too much one-sided to afford excitement. In order to indicate the attitude of the convention it will be enough to remark that but one voice was heard from the platform in opposition to the proposal. The resolution was as follows:

"Whereas the profits of the Canadian producer for the wheat crop of 1917 and 1918 were restricted by a fixed price, which the Federal Government established in the interest of the consumer, and especially of our Allies across the sea;

"And whereas, throughout the period of the war and at this time, the farmers of Canada, in loyal response to the Government's call for greater production, have incurred the consequences of poor farming methods in order to secure immediate results;

"And whereas, the cost of living, and of all commodities entering into the production of wheat, are now as high as, or higher than, at any time during the last two years;

"And whereas, these conditions of cost will prevail throughout the period of preparation, seeding and harvesting the 1919 crop;

"And whereas, the Government of the United States has, by fixing the price of wheat for 1919, guaranteed the farmers of the United States against financial loss;

"And whereas, in the absence of any assurance or intimation that the price of the 1919 Canadian wheat crop will be fixed by the Canadian Government, there is much alarm and unrest among farmers, and especially among those who have suffered by reason of poor crops during the last two years:

"Therefore, be it resolved that this convention ask the Government to take steps without further delay to fix the price of the 1919 crop on the same basis as that of 1918."

Meanwhile, the interest in this question which had been stirred up in Saskatchewan was not without its effect in other provinces and especially Manitoba, where it had become evident that the Brandon resolution did not express the view of any considerable number of Manitoba farmers. The United Grain Growers, Ltd., whose name had been associated

(Continued on page 10)

The New Hospital Elevator at Port Arthur

Progress on our new hospital elevator at Port Arthur has reached a stage that, although the cleaning and shipping machinery is not yet completely installed, we were able on February 27, 1919, to commence unloading and receiving grain. The opening of this additional unit of our plant at Port Arthur marks another stage in the expansion of Saskatchewan Grain Growers' trading activities.

Before passing into a description of the advantages and usefulness of this hospital elevator operated in conjunction with our large terminal elevator it will be interesting to give a definition and a clearer conception of the functions of a hospital elevator.

In The Canada Grain Act we find the following description:

"'Hospital elevator' includes every elevator or warehouse which is used for cleaning or other special treatment of rejected or damaged grain, and which is equipped with special machinery for that purpose."

At Fort William and Port Arthur there are a large number of public terminal elevators and also so-called hospital elevators. Most of the public terminal elevators, in addition to doing a regular public storage business, are equipped with such cleaning and drying machinery that they can handle almost any class of grain; therefore, the public terminal elevators are doing a large amount of the work that really belongs to hospital elevators and this must, at certain seasons of the year, when speed in handling grain is most desirable, tend to lower the handling capacity of the public terminal elevators, first by delays which are unavoidable in the handling of grain requiring special treatment, and second by wastage of storage space inevitable in binning small quantities of off-grade grains.

The word "hospital" as now used in speaking of certain elevators at Fort William and Port Arthur is somewhat of a misnomer. Anyone not conversant with the matter would naturally assume that these so-called hospital elevators would, subject to their capacity and equipment, receive any grain which required special cleaning, separating or treatment, and render any of these services for the benefit of the shipper of such grain. But the hospital elevators at Fort William and Port Arthur,

as now operated, are simply "private elevators" and are licensed as "private" elevators by the Board of Grain Commissioners. They own all the grain they handle and, while subject to Government supervision as regards inwards and outwards inspection and weighing, they can do what they like with the grain they handle, and by treating, mixing and blending, can secure to themselves the profit made possible by these practices.

In the rules and regulations of the Board of Grain Commissioners the following paragraph bears out the above statement:

"Hospital elevators will not be permitted to do a public storage business. Grain received into hospital elevators must be the property of the hospital elevator owners."

Also such an eminent authority on the grain trade as Mr. C. B. Piper, in one of his publications, speaks of hospital elevators as follows:

"They buy all the grain they receive, so that they are not public terminal elevators in any sense, and they are, therefore, not permitted to do business for others. Because the grain is their own they are permitted to mix, but their product must be well up to the average to receive the desired grade. They are profitable because of the right of selection. They are nominally buying on the basis of grades, but actually, as far as possible, they examine the samples of cars as they pass Winnipeg and select only those which will best suit their purpose."

The above quotation will be made clearer in the mind of the reader if it is understood that the private elevator operators select and buy only such car lots of grain as they can profitably treat and mix.

Having made it clear that at the present time the public terminal elevators are really doing the bulk of hospital elevator work and the so-called hospital elevators are really private elevators, we pass on to talk of our own hospital elevator, its purpose as a unit of our plant at Port Arthur and the service we can render our shippers.

Our hospital elevator at Port Arthur has been very well described, as far as equipment is concerned, in an earlier issue of *The Co-operative News*. The elevator has been built with a large number of small bins in the work-house, ranging from 2,000 to 7,500 bushels

capacity. These small bins will make it possible to handle individual car lots separately until they have been cleaned or otherwise treated, and, with the special cleaning and separating machinery installed in this elevator, separations of mixtures and other special treatment of off-grade grains can be accomplished whenever this would be profitable to the shipper. At the same time, our hospital elevator will relieve our large public terminal elevator of this class of work, which naturally reduces its maximum handling capacity. Our large terminal elevator, a most efficient and up-to-date plant, was designed for rapid handling of grain in large volumes. Special treatment of grain interferes with rapid handling, and also, as our large terminal elevator is not equipped with small bins, the disadvantage and poor economy of tying up large bins with small quantities of off-grade grain is apparent. Operating this hospital elevator in conjunction

with our large terminal elevator we shall be able by economic distribution of grain receipts between the two elevators to greatly increase our handling capacity and at the same time render our shippers a most complete service.

We have taken a public terminal elevator license for our hospital elevator and in doing so we are in the unique position of being the operators of the only public hospital elevator at the head of the lakes.

The hospital elevator has also not been designed without thought of future developments in grain handling. Provision for sample markets has already been made by the Dominion Government and only awaits the removal of war regulations and restrictions. This hospital elevator can be advantageously used as a mixing and blending house should developments in the grain business render it desirable to operate in this manner.

THE DEMAND FOR A FIXED PRICE—Continued from page 8

in the press with the resolutions passed at Brandon and Edmonton, by reason of the prominence of officials of the company in the proceedings of both conventions, decided that it should give some definition of its attitude and a meeting of the Board of Directors was held during the week ending February 15th. In the newspapers of the 17th, the eve of the Regina convention, there appeared the following dispatch:

"Winnipeg, February 16.—At a meeting of the board of directors of the United Grain Growers, Limited, last week, the question of a fixed price for the 1919 wheat crop was considered, at which the directors went on record as being absolutely opposed to the opening of the wheat market on the old basis which allows unrestricted speculation. The board believes that the most desirable method of marketing the 1919 crop would be for the Dominion Government to sell the exportable surplus of wheat and flour at a fair price, based on world values to the British and allied governments. Such a price, mutually agreed upon between the farmers of Canada and the Allied Governments, could be made a fixed price until August 31, 1920, and would, of course, govern the price of flour and wheat for domestic use in Canada, says the statement handed out by the United Farmers' directorate.

"This would insure," adds the statement,

"the consumers in the Allied Countries of Europe and the consumer in Canada getting their food requirements at a fair price based on world conditions and at a minimum of added expense over the price Canadian farmers would receive for their product. It would also insure Canadian farmers getting the maximum price possible based on world conditions for their products. In other words," continues the statement, "it would eliminate all profiteering at the expense of the producer and consumer in the transfer of the former's food products to the latter.

"The resolution passed at the Manitoba Grain Growers' Association and the United Farmers of Alberta annual convention at Brandon and Edmonton seem to have been somewhat generally misconstrued as a request for open markets," says the statement. "The name of the United Grain Growers, Limited, has, in some instances, been coupled with statements that this was the desire of the organized farmers of Manitoba and Alberta. This interpretation of these resolutions is entirely erroneous, as a careful reading of them will show.

"We do not believe in a fixed price set at an artificial value which would at the expense of the consumer, give protective profits to the producer even though farmers in other countries may be temporarily more advantageously

situated because of the action taken by their government previous to the signing of the armistice.

"In the event of it being impossible to sell our whole exportable surplus to the Allied Governments and in this way fixing a price, we believe immediate steps should be taken to eliminate all speculation in our foodstuffs. This does not mean the elimination of future markets and we recognize that under open market conditions it is necessary for the efficient handling of our grain to have future contracts for the protection of their purchases. We believe that such markets can be conducted to serve all the necessities of the grain trade even though limited only to those who are actual owners or gatherers of grain. We suggest that our government take steps to prevent the sale of grain for future delivery on the part of anyone who at the time of sale does not actually hold title to the amount of grain they sell and to prevent the purchase of grain by anyone who does not have a *bona fide* intention of taking delivery of the actual grain. Legislation along these lines would eliminate entirely the present unrestricted gambling in our farm products."

While the convention of the Saskatchewan Grain Growers' Association was in session at Regina, the Manitoba Agricultural Societies

were holding their annual gathering in Winnipeg and from this convention came the following resolution, affording an interesting contrast to that passed by the earlier gathering of Manitoba farmers at Brandon:

"Whereas the large number of farmers of the West have to purchase seed grain at the present fixed price, and whereas the price of almost all the farmer has to buy is fixed:

"Therefore, be it resolved that this convention of agricultural societies assembled, representing the producers of the country, ask the Federal Government to fix the price of wheat for the 1919 crop the same as for the 1918 crop."

And to give further indication of rural opinion on this subject in Manitoba a similar resolution was passed, during the last week in the month, at a district convention of the Manitoba Grain Growers' Association, held in Portage la Prairie, showing very clearly that the Brandon resolution was not fully expressive of the opinions even of those locals of organized farmers whose delegates composed the Brandon gathering.

Whatever the course which the Government may choose in this matter, it will be impossible now for anyone, despite the action of the earlier meetings of organized farmers, to entertain any doubt respecting the opinion which prevails throughout the rural West.



A busy day at Borden, Sask.

When the Fixed Price was First Proposed

Statements which have appeared in the press from time to time during the discussion of the proposal to fix the price of the Canadian 1919 wheat crop show very clearly that many people have only a mistaken recollection of the circumstances which attended the first steps taken by the Government to establish a fixed price in 1917. Some of these statements are but part of a deliberately planned campaign, the object of which is to give the impression that what the farmers now seek is the continuation of an arrangement made in their interest during the period of the war. Others, however, though having a like effect, may be due in part to forgetfulness of the succession of events in 1917 which culminated in the establishment of the first fixed price.

A daily journal published in the West recently contained the following editorial utterance:

"Until the farmer was accorded protection in the shape of a fixed price for wheat, which concession he seeks to have renewed, he was compelled to pay full price plus duty for all he bought, and had to sell his product in competition against all other wheat producers in an open market."

More interesting, because it appeared in a journal which is usually well-informed and which need not be suspected of the malice which inspires some Eastern comment on matters touching Western farmers, is the following from an editorial in the *Montreal Journal of Commerce* of January 7th:

"It is worth remembering that at one stage our Government, acting for the British Government, endeavoured to secure a future supply of wheat by offering a guarantee of \$1.70 a bushel. The shrewd Canadian farmer, seeing that if the war were protracted wheat would go much beyond that figure, refused to accept that offer. As he had expected, the price did advance and later he received a guarantee of \$2.20 a bushel, instead of \$1.70 previously offered."

The facts are here presented in extraordinary confusion and the impression conveyed to the reader is wholly false. The truth of the matter is, of course, that the Government offered a guarantee of \$1.30 a bushel. "The shrewd Canadian farmer" did see "that if the

war were protracted wheat would go much beyond" \$1.70, but, while refusing to accept a figure so low as \$1.30, he agreed to accept \$1.70. The Government, which appears to have been in this instance neither shrewd nor reasonable, rejected his proposal as unreasonable and within a few months were obliged to fix the price at \$2.20 a bushel.

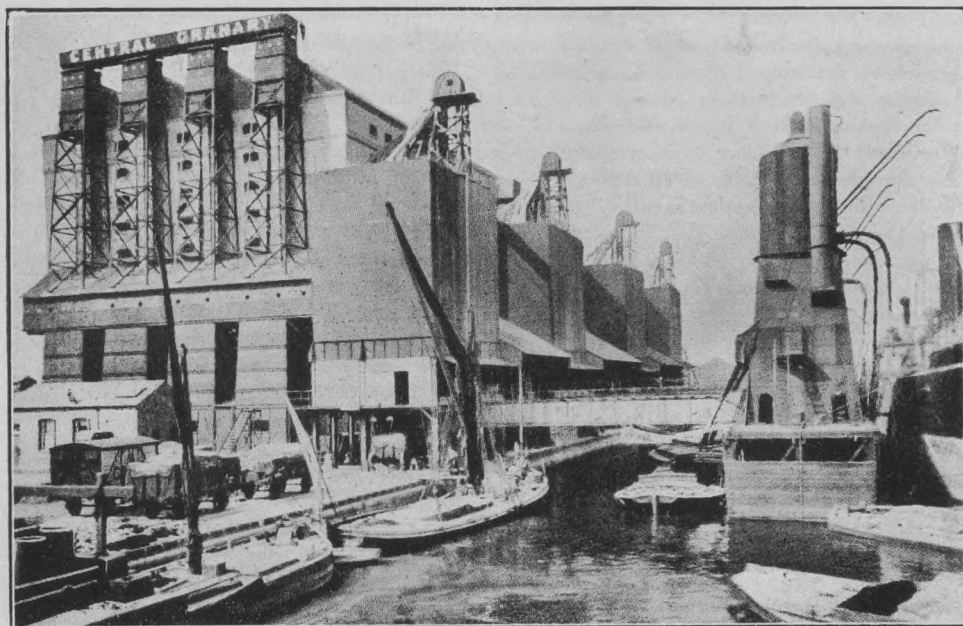
Since the facts have been forgotten by so many who ought to have remembered them, and as they are important in their bearing upon the demands which the farmers are making at this time, it may be interesting to review the events of 1917.

The first intimation received by the Western farmers that the Canadian Government had it in mind to take over the 1917 crop at a fixed price was given on February 16th in the form of a telegram from Sir Geo. Foster, Minister of Trade and Commerce, to the Secretary of the Canadian Council of Agriculture. Sir George requested that representatives of the Council meet him in Ottawa for a confidential discussion of the subject. This conference was held on March 3rd, the Western farmers being represented by Roderick MacKenzie, the then Secretary of the Council, H. W. Wood, president of the United Farmers of Alberta; C. Rice-Jones, president of The Alberta Farmers' Co-operative Elevator Co.; J. A. Maharg, president of the Saskatchewan Grain Growers' Association, and T. A. Crerar, president of The Grain Growers' Grain Co.

At this conference Sir George emphasized the desire of the British Government to have an adequate supply of wheat guaranteed for the ensuing year. Canada was in the best position, geographically, to supply this wheat, as it was much nearer than either Argentina or Australia, and consequently would make a lesser demand on shipping tonnage for transportation. Sir George had been in conference with the British Government and proposed that the Canadian Government should take over the entire surplus of the 1917 crop at a fixed price of \$1.30 per bushel, in store Fort William, on the basis of No. 1 Northern. The conference discussed the matter at some length, but the delegates from the West were not prepared to agree to the price proposed. Finally, it was decided to leave the matter in suspension until it could be discussed by the Canadian Council of Agriculture at the annual meeting

of that body, to be held in Regina on March 15th. At this meeting, after careful consideration of the proposal, the Council reached a unanimous decision that the price suggested "\$1.30 per bushel" could not be accepted. An alternative proposal was, however, presented to the Government. The reply of the Council, dispatched by wire to Sir George Foster, was as follows:

"Respecting the matter of fixing or guaranteeing a price for the surplus crop of Canadian wheat for the year 1917, discussed with you at your request in Ottawa on March 3rd, by representatives of the Canadian Council of Agriculture, your suggestion that a price be fixed about \$1.30 per bushel, basis No. 1 Northern, Fort William, for the entire crop



Millwall Docks, London, Eng.

It is estimated that two-fifths of the grain coming into the Port of London is delivered into the Millwall Dock, the source being principally the Baltic and the Black Sea. Most of the grain is discharged by pneumatic power installed on No. 2 dolphin and in two floating elevators. The vacuum is created by the two pairs of pumps to each elevator. The discharging appliances at this granary and dolphin are capable of dealing with 300 tons of bulk grain per hour, but this output can be largely augmented by the floating pneumatic machines whereby the output ex-ship may be increased to 500 tons per hour. The grain extracted by these "elephant trunks" is deposited into hoppers and weighed. The portion of the grain which is not for immediate dispatch, or which, for purposes of rapid clearing, it is found necessary to store, goes into one of the silos. There are four nests of silos, about forty, chiefly of brick, having one or two floors, and possessing a total floor area of 720,000 feet. In addition to this there are corrugated iron buildings having an area of 253,000 square feet, which form a depot for storing grain in specially designed railway trucks, from which deliveries are made to buyers' vans or railway waggons. The shed has in connection with it ten miles of railway sidings and a delivery platform 300 yards in length. There are forty-eight miles of railway lines on the premises, which connect every part of the dock with the Millwall Extension Railway, and through it with the entire railway system of Great Britain. It is estimated that upon an average 20,000 loaded railway trucks are dispatched from the Millwall dock every year with various goods, principally grain.

was considered by the full meeting of the Council here today, and after full deliberation on the matter, the Council, having in view the present high cost of production, believe that, to ensure maximum production of wheat for the coming year, it is advisable to fix a minimum price covering all of this year's crop, and this Council therefore recommends that a minimum price at Fort William of \$1.50 per bushel, basis 1 Northern grade, be guaranteed, and that a maximum price of \$1.90, basis 1 Northern Fort William, be fixed. Spreads in price on grades lower than 1 Northern to be fixed on the actual difference in value between such grades, as determined by milling and baking tests, or, if a flat price be decided upon, such price should be \$1.70 per bushel, basis No. 1 Northern, Fort William; this being less than the average price of No. 1 Northern at Fort William during the last six months."

In the light of events that followed, establishing so completely the reasonableness of the Council's action that *The Journal of Commerce*, confusing the proposal of the farmers with that of the Government, can compliment them on their shrewdness in rejecting the offer of \$1.70, which in reality was their offer and was rejected by the Government, it is interesting to recall that at the time attempts were made in the Eastern press to show the Western farmers in an unfavourable light as selfishly seeking profit from a difficult situation.

The Hon. Geo. Langley, in an interview reported in a Regina newspaper, speaking as a member of the Canadian Council of Agriculture, met these odious suggestions squarely. He said, in part:

"There was no thought in the mind of the Council of holding the Government up, because, as pointed out in our wire to Sir George Foster, the flat price we named of \$1.70 is five cents a bushel below the average price we have received for grain during the whole of the marketing months of the present season. The Council did not feel at all sure that the offer of a flat rate of \$1.70 would be received without a good deal of murmuring by the Western farmer.

"On a fair prospective market valuation we were of the opinion that a flat rate of \$2 a bushel would not have been in excess of what we might expect from an open competitive market and in offering it at \$1.70 we, in reality, sacrifice, according to our careful calculations, no less than thirty cents a bushel. But we feel that the Empire's demand on us justified us in making that sacrifice.

"If every other industry in the Dominion would make an equal contribution to the Empire's necessities, that would be an immense contribution from the Dominion as a whole toward the Empire at the present time. As far as the financial necessity of the Western farmer was concerned, the Council was satisfied that it would answer our purpose better, from a financial point of view, to leave us in the competitive market, but we felt that the financial consideration ought not to be regarded as the most important consideration."

The Government, however, chose to regard the proposal of the farmers as unreasonable and it was rejected. On March 21st a dispatch was sent out from Ottawa, carrying a statement by Sir Geo. Foster, which purported to be a review of the negotiations and in which, by subtle implications, the impression was conveyed that the Canadian Council of Agriculture had made unreasonable and exorbitant demands, necessitating abandonment of the arrangement which the Government had contemplated. The statement is too long for reproduction in these pages, but its character and tone may be indicated by the following quotation from the introductory paragraphs of the dispatch:

"Ottawa, Ont., March 21.—Sir Geo. Foster, Minister of Trade and Commerce, in a statement today, reviewed the British proposal to purchase the 1917 Canadian wheat crop which was rejected by the representatives of the Western farmers. The Canadian Government is acting simply as an intermediary. Great Britain makes the terms of the offer and its acceptance or rejection rests solely with the representatives of the Western farmers, and that it is not a satisfactory proposition to them is indicated by the action of these representatives. Their rejection may mean the abandonment of the scheme by Great Britain, and if so this year's Canadian wheat crop will have to find its way to Europe by private enterprise, with such market already in a great measure filled by Government purchases elsewhere.

"..... Under these and other conditions it is believed that the representatives of the Western farmers have taken a gambler's chance on a greater return than the positive assurance of a big profit in the British offer, submitted and rejected."

This statement, implying that the Western farmers, through greed of gain, had rejected "a good thing" and now must take the gambler's chance of serious loss, was warmly resented in the West, and a spirited reply, authorized by

the executive of The Saskatchewan Grain Growers' Association, was sent out from Regina over the signature of Mr. J. A. Maharg, the president of that body. In this statement Mr. Maharg called attention to the fact that no documents had been produced "which would show any Imperial connection whatever with this deal," and he added that, without such evidence—which, by the way, does not appear to have been given either then or at a later date—the statement that the British authorities had made the original offer and had themselves rejected the alternative proposal of the farmers must remain in doubt.

A Regina journal, congratulating Mr. Maharg on his reply to the insinuations conveyed by this statement from Ottawa, expressed the opinion that "it should clear the minds of any who may have been misled by Sir George's attempt to place the Western farmers in an unfavorable light before the country and the Empire."

"If," said this journal, "the farmers were not prepared to accept the price for their 1917 crop suggested by Sir George Foster, they expressed their willingness to accept a price which, judged by any standard which would enable one to determine the probable trend of prices in the open market, would involve a sacrifice of profit which no other industry has been asked to make or has shown any inclination to make."

Later, came the unparalleled situation on the Winnipeg market which led finally to the fixing of the price at \$2.21 a bushel. The agent of the Royal Wheat Commission on the Winnipeg market made extensive purchases throughout the winter, and spring found them with tremendous holdings of May and July delivery contracts, which, according to the rules of the Exchange, called for 1, 2, or 3 Northern wheat only. It was, however, assumed that the Wheat Export Co., Agents of the Royal Wheat Commission, would accept any grades of milling value, even if lower than 3 Northern. Therefore, elevator companies, anticipating no trouble in disposing of lower than contract grades, continued the recognized practice of selling futures as a hedge against their purchases of grades lower than 3 Northern. On May 2, 1917, the Wheat Export Co., for reasons known only by themselves, refused to accept any grades except 1, 2 and 3 Northern, and tough 1 and 2 Northern on May contracts; on lower grades a flat bid, very much out of relation to the May delivery value, was offered. Elevator companies were, therefore, forced to sell lower grades flat and buy back their hedge

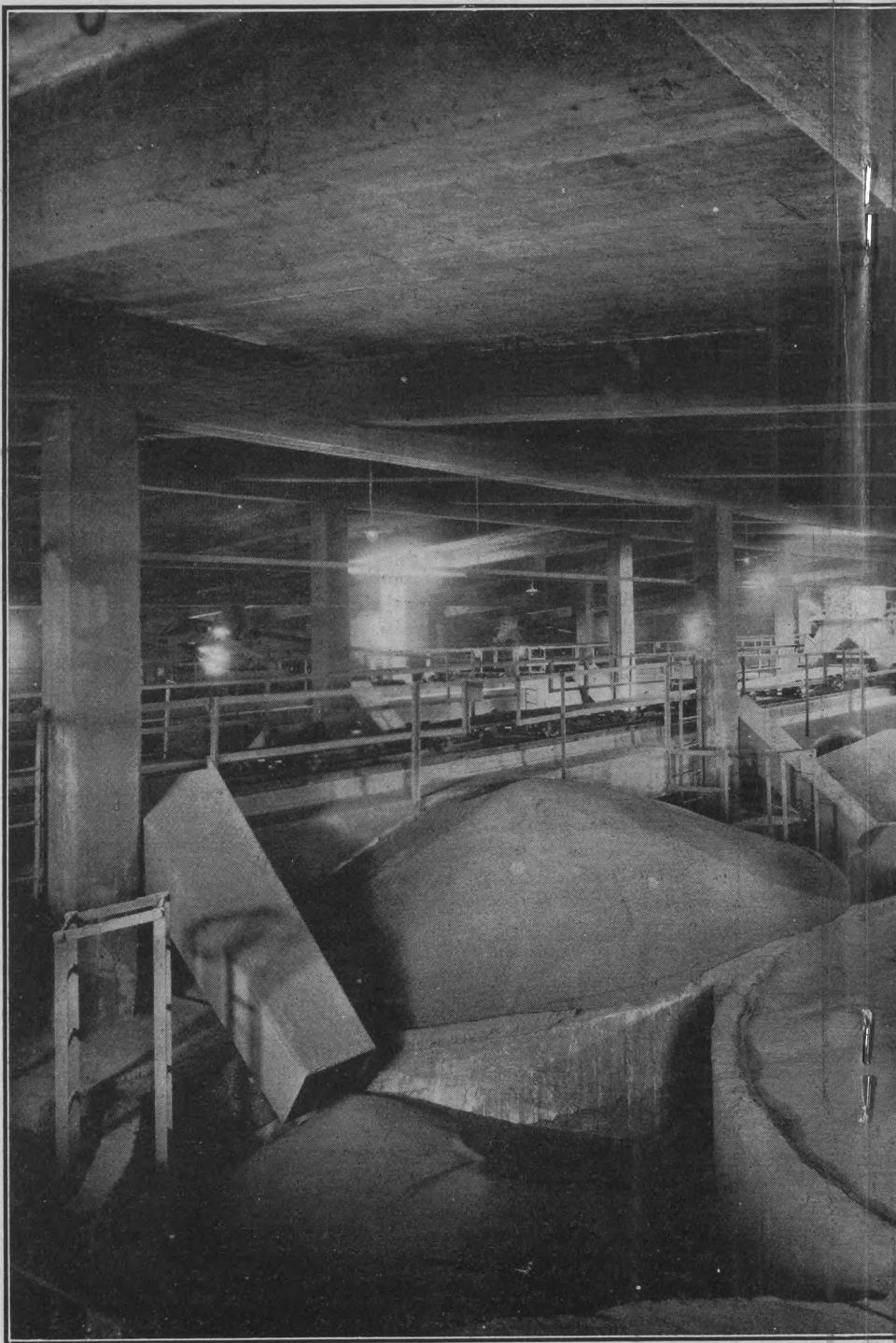
(the future delivery contract) in the open market. Panicky buying in of contracts followed and the market on that day of unparalleled excitement showed a $33\frac{1}{2}$ cent fluctuation. On May 3rd, May delivery touched \$3.05 with a fluctuation of $29\frac{1}{2}$ cents. The Wheat Export Co., had cornered the market, though not, of course, for profit to themselves, since all their purchases were for actual consumption and would not be re-sold.

To prevent further panic, and the undue inflation of values, the Council of the Winnipeg Grain Exchange prohibited further trading in May and July delivery contracts. After a few days of inactivity an arrangement was arrived at between the Royal Wheat Commission, the Canadian millers and elevator companies, which made possible a resumption of business.

On May 4th announcement was made simultaneously from Washington and Ottawa that the Government of the United States and that of Canada would co-operate in regulating the price of wheat. On August 1st the Canadian Board of Grain Supervisors, a body created to exercise a measure of control over the marketing of the crop, with power to fix prices subject to approval by the Government, announced a fixed maximum price of \$2.40 for 1 Northern at Fort William. On August 17th this was definitely fixed as the price to prevail until August 31st. On August 30th a Washington dispatch announced that the price of No. 1 Northern Spring Wheat had been fixed at \$2.20 per bushel on the basis of Chicago for the 1917 crop, and shortly afterwards the price of the Canadian wheat crop of 1917 was announced by the Board of Grain Supervisors as \$2.21 for No. 1 Northern in store at Fort William.

This narration of the facts, which cannot be disputed in any essential particular, should effectually dispose of the suggestion that the farmers appeared in 1917 in the role of war profiteers. Indeed, the facts demonstrate with unmistakable clearness that, alike when it was first proposed to fix the price and when, finally, the price was fixed, the Government's action was dictated by consideration for the consumer and not for the farmer. And as representatives of the one industry thus singled out for restriction of its profits, they may recall now with pride that the price which they themselves suggested as an acceptable fixed price, although rejected by the Government, was afterwards revealed as moderate to the point of generous sacrifice.

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View of storage bins in Terminal Elevator of Saskatchewan Co-operative Elevator
visible in outline in the foreground.



□
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□

ative Elevator Co. at Port Arthur: Each of these bins, one of which is plainly
reground, holds 30,000 bushels of grain



Wiring Outturns for Better Service

The formal sanction by the Board of Grain Commissioners of arrangements which will permit the use of a direct private wire to convey to the Company's Winnipeg Office from the Terminal Elevator at Port Arthur the outturn weights of all cars unloaded, is expected to be given in the very near future. The wire necessary for this improvement of the service now given to shippers has already been leased from The Great Northwestern Telegraph Co.

The more efficient and expeditious service which will be rendered under this arrangement can be best indicated by reference to present practice throughout the trade. Following the Government inspection at Winnipeg and the determination of the official grade, the car is weighed under Governmental supervision at the terminal and the official Weighmaster's Certificate issued. The terminal elevator company, on the basis of these two certificates, issues what is termed the Outturn, showing weight, dockage and freight charges. These outturns, together with the weight certificate, are forwarded by mail to the Winnipeg office of the company and from these documents is issued the terminal elevator Warehouse Receipt recognized, throughout the trade, after registration by the Government, as a negotiable instrument.

Under the arrangement which the Company now proposes to make, in order that it may give better service to its shippers, the outturns would be sent to Winnipeg from Port Arthur over a private wire leased for that purpose. The Warehouse Receipt would be issued on this information and the grain of this Company's shippers could thus be on the market one day earlier than is possible by the methods now in use.

Certain questions raised as to the powers of the Board of Grain Commissioners and the methods by which it should proceed in dealing with this matter have occasioned delay in the granting of necessary sanction. However, while no definite assurance of the course which the Board will take has been given, the proposal is so clearly one which is made only in the interests of the farmers, and any objections raised when the matter was first broached have been so easily and completely answered, that the necessary authorization is confidently expected.

When application was first made by the Company to the Board it was suggested that

opposition to the proposal might be offered by the Bankers' Association on the ground that the integrity of the Warehouse Receipt would suffer through errors which could arise in the transmission of the outturns by wire. This objection, however, was speedily removed, when it was made clear that this Company was willing, by furnishing a bond or otherwise as the Board of Grain Commissioners might approve, to give the fullest protection against possible error.

The application appears also to have been misinterpreted at first as a request for a special privilege to be exercised exclusively by this Company. This impression was immediately corrected by the definite assurance that the Company sought no special favours and had not for one moment supposed that other Companies, seeking the opportunity to give similar service to their shippers, should be denied that right.

The application came before the Board of Grain Commissioners at a public hearing in Winnipeg on February 14th, having the support of the Canadian Council of Agriculture as a proposal made solely in the interests of the farmers. There was no opposition from the Bankers' Association. The Board, however, had meanwhile concluded that it had not the legal power to grant the application, except as under new regulations which it expressed its willingness to consider. The Company has now taken the necessary steps to secure the consideration by the Board of such regulations and awaits with confidence the early announcement of a favorable decision.

The Grain Growers' Guide published the following account of the meeting of the Board of Grain Commissioners at which this application was heard:

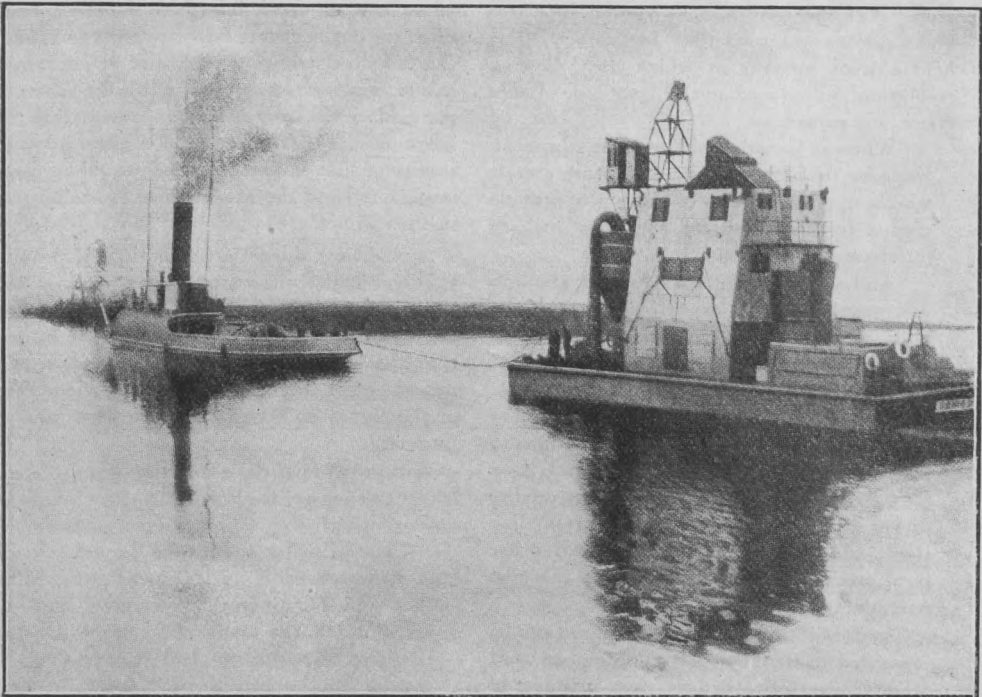
The Board of Grain Commissioners met in Winnipeg on Friday, February 14th, to hear the application of the Saskatchewan Co-operative Elevator Company for the sanction of the board to the registration of warehouse receipts in Winnipeg on the basis of wired outturns from the terminal elevators at the head of the lakes. The grain trade was well represented at the hearing by members of the Grain Exchange, commission men, officials of the United Grain Growers, Limited, and several prominent

members of the Canadian Council of Agriculture.

"In the ordinary course of business, when grain is unloaded at the terminal elevators at Fort William or Port Arthur, the warehouse receipts for it are not registered until a statement of its weight and grade is received in Winnipeg by mail. This means that the registered warehouse receipts are issued by the registry office in Winnipeg at least one day after the grain is unloaded. Edward G. Issac, of the Co-operative Elevator Company, showed that there would always be a delay of one day whether the receipts were registered at Fort William or in Winnipeg. If they were registered in Winnipeg they had to await the report of outturns conveyed by mail, whereas if the receipts could be registered on wired outturns, one day would always be gained. There would only be a risk of one day involved for the registrar if he registered receipts on the basis of wired outturns, since he would have his sheets up from Fort William on the day following the wire by the regular mail. For this risk the Elevator Company was quite

prepared to offer ample bonds. On certain special occasions, Mr. Isaac explained, a precedent to this effort had been already established. Mr. Robinson, speaking for the board of directors of the Co-operative Elevator Company, showed what a great advantage the earlier registered returns would be to the farmers. Each year, when the big grain movement starts, the rush of grain into the market tends to bear it down. On such a declining market, by selling one day earlier at higher values, a big saving could be made. Again, at the end of the delivery month all of the grain of the last day could be delivered as cash grain, demanding any premium that might be going. At the close of navigation, when large shipments are going out and every day counts, the advantage of this quicker service would be great. Mr. Robinson's case was clear as he stated that no special privilege was asked for by the Elevator Company, who were willing to put up any reasonable bond.

"Questions put by Mr. Murray, of the United Grain Growers, Limited, drew from Mr. Leslie Boyd, chairman of the board, an explanation as to the board's position in the matter.



Floating Pneumatic Grain Handling Plant, built recently in Manchester, Eng., for the French Government. The plant is shown here dismantled and ready for sea voyage

He went into the history of warehouse receipts to show how the Board of Grain Commissioners had been given complete control over the regulation of these receipts as advised in the report of the government accountants and Mr. Castle. The registration of these receipts made them government certificates, gave them validity and enhanced their value to banks, and being a continuing operation, the chairman did not see where the board had any legal authority to grant the application to deviate from the regular procedure.

"Mr. Murray vigorously took up the case for the quicker service asked for. He said that there appeared to be a misunderstanding in the minds of the board as to the main purpose of warehouse receipts, which were issued in reality to put a check on terminal over-shipping. He could see nothing in the Grain Act to interfere with the board changing the system of registration within reason to facilitate business. Since it was only a matter of 24

hours' difference, anyway, a sufficient bond could easily be provided to guarantee against any possible mistakes, accidental or deliberate.

"Mr. Rice-Jones stated that the Canadian Council of Agriculture was entirely in favour of this application. He thought that the farmers should be considered in the matter and that they had a right to receive any higher prices for their grain that obtained at the end of any month. He did not see how the security of the warehouse receipts could be affected, since wiring down of false outturns would be a pure case of fraud. The practice of issuing receipts on wired outturns had been fairly common for years, he said, and if it was illegal, considerable illegality has been going on for a long time.

"The meeting was found, by questions put by the chairman, to be unanimously in favour of the proposal of the Saskatchewan Co-operative Elevator Company."

CANADIAN CREDITS AND THE 1919 CROP—*Continued from page 4.*

of the arrangements made by the Government to finance the movement of the Canadian crop. Yet the condition as viewed by these organisations was such that, in January, they held a joint meeting at which the following resolution, reproduced in the last issue of *The News*, was passed:

"Whereas Canada's share in the European trade for the next year or two depends almost wholly upon the ability of Canada to provide credits for those nations who may wish to purchase our products;

"And whereas, our 1919 farm production will provide a large exportable surplus, the bulk of which can be marketed only in Europe, there being no other possible market for these products:

"Therefore, we urge that the Dominion Government give immediate attention to this most vital matter and make provision for the establishment of the necessary credits to ensure that the total of our grain, live stock and products thereof and all other farm products will be marketed to the best possible advantage;

"And that a copy of this resolution be presented to the Hon. Arthur Meighen, and other copies forwarded to each member of the Dominion Government and to each member of Parliament for the Prairie Provinces."

The resolution was presented to the Hon. Arthur Meighen in Winnipeg on January 20th, when the minister informed the delegation of grain dealers' and farmers' representatives that, while he knew nothing of the arrangements made or contemplated by the Government, since the matter did not come within the scope of his department, he recognised that it was of first importance and would bring it immediately to the attention of his colleagues in the cabinet.

At the time when the subject of this resolution was under discussion it was freely stated that, although appeals for subscriptions to the Victory Loan had been made on the ground that the money would be used to finance the movement of the Canadian crop, not one cent of the money so raised had been used for this purpose.

Within a few days of the date of Mr. Meighen's visit to Winnipeg the following news dispatch was sent out from Ottawa:

"The Minister of Finance has announced, in answer to an inquiry as to wheat credits, that the Dominion Government had, in addition to the outside funds which the British Government had been able to provide, authorised to date from the proceeds of the Victory Loan, credits of over \$60,000,000, of which \$11,000,000 had not yet been expended and was at the credit of

the Imperial Government for the purpose of buying wheat. In addition to this assistance, arrangements had been made with the Canadian banks for the financing of wheat in elevators pending the delivery and sale to the Wheat Export Company."

This statement appears to be lacking a little in frankness and many will find it difficult to avoid the suspicion that it was worded with the intention to convey an impression not quite in accord with the facts. For example, take the reference to the provision of "credits of over \$60,000,000." It is evidently intended that the reader should suppose that this money was provided from the proceeds of the Victory Loan to finance the marketing of the crop. But this is not stated and if this money has been used to provide credits for the sale of manufactured goods the words used would serve as well to describe the transaction. Again, what arrangements are these which have been made with the Canadian banks for "the financing of wheat in elevators pending the delivery and sale to the Wheat Export Company?" Giving to the uncritical reader the impression of vast financial expenditure, it refers only to the necessary assurance, given by Order in Council in August to the banks making cash advances to the trade, that in the event of the British or other Allied governments refusing to take delivery or pay for any part of the 1918 wheat crop represented by documents in the hands of the banks, the Government would guarantee payment for such grain at the fixed price. The measure was one which was necessary to give financial and commercial stability to the grain trade and did not involve, nor was it likely to involve, any actual expenditure of funds raised by the Victory Loan.

The marketing of the surplus of the 1918 wheat crop, however, will, so it seems at this date, probably be arranged without difficulty. The matter of real concern is the marketing of the 1919 crop, especially if the record areas under cultivation in the United States provide the exportable surplus now anticipated. Having fixed the price of this crop at \$2.26, the United States will secure that price from those to whom it sells. Recently, when the demand of the farmers of Western Canada for a fixed price was under discussion, *The Manitoba Free Press* professed to be greatly shocked by the suggestion that Mr. Hoover was busy selling the United States crop at this time and that the Canadian Government should care for the interests of its wheat growers by making

provision for a system of national selling. Interpreting the suggestion as a charge that Mr. Hoover, on behalf of the United States, was using a position of trust to serve the interests of the United States, *The Free Press* declared its view that, if this charge were well founded, the Canadian Government was to be congratulated in that it had not followed the American example. In the same article this newspaper argued that the United States by reason of its ability to extend credits would be able to find markets for its crop, while Canada, with lesser resources and greater obligations, must "willy nilly" wait for the selling season and find purchasers who can pay for what they buy."

The prospect faced by the Canadian wheat grower in these circumstances, with the assurance that the purchasing countries, almost without exception, can buy only if credits are extended, would be depressing indeed and should persuade *The Free Press*, if it would stay to reflect upon the implications of its own statement, to re-consider its judgment that the demand of the farmers for a fixed price is unreasonable. There are considerations, however, which suggest that the statement of *The Free Press* is somewhat extravagant and that resources of credit for the sale of agricultural products will be available in Canada if the manufacturing interests are not allowed to crowd both feet into the trough.

But the attitude of the United States is important. The fate of the Canadian crop would certainly cause less anxiety to those who are most concerned if the view of *The Free Press* could be accepted and it could be safely assumed that Mr. Hoover and his American associates would think much of the equal distribution of food among the hungry European peoples and not at all of the financial loss which the United States must incur if it is not able to market, at a figure approximating the guaranteed price, the record crop which that country expects to raise.

Frankly, however, this is not the way of the United States or of any other nation engaged in the business of buying and selling. It is not customary for the nations to allow a haze of sentiment to becloud their business interests. In the work of food distribution sentiment will operate, at least so far as to insure the European peoples against starvation. But, so long as any of these countries can be regarded as potential purchasers, having the ability to pay, now or at some time in the future, for the food which they need, business considerations will be present and active. Great Britain and

other European countries today have the machinery necessary for national buying and they will beat the price down to the minimum. The United States, as the biggest of the selling countries, intends to use a national agency to make the best bargain possible, and, with an eye on the chance that there may be a world surplus of wheat in 1919, she will use every conceivable sort of pressure to secure a stand in every available market even though, in order to do so, it should be necessary to crowd some of her competitors off the ground. This is no mere assertion but a demonstrable fact, and if the policy, advocated by *The Free Press*, of blind trust in the sentimentality of "Hoover and Company" should be accepted by the Canadian Government, the lot of the Canadian wheat grower next year will not be a happy one.

Where is the evidence to be found that will establish what has been said of the attitude of the United States? If *The Free Press* had waited but one day before making its editorial pronouncement, it might have found some of this evidence in an Associated Press dispatch from Paris which appeared in its own news columns. This dispatch stated that:

"The United States . . . objects to the efforts of the Entente Allies to seek cheaper food supplies in South America and elsewhere, thus compelling reduction of prices at home below those guaranteed by Congress to American farmers. The United States' contention is that these guaranteed minimum prices for wheat and pork were fixed to insure ample supplies for the Entente armies and peoples, and that it is not fair now to require the United States Government to meet heavy losses which would result from cutting home prices to meet those offered in neutral markets.

But it was not necessary to wait for this evidence to be put in. There was enough evidence of indisputable character before the court of public opinion as long ago as February 5th, when Julius H. Barnes, president of the United States Food Administration Grain Corporation, appeared before the House Agricultural Committee at Washington to give advice respecting the methods to be adopted in making good the President's guarantee of the price of the 1919 wheat crop.

To begin with, Mr. Barnes protested with all the energy of which he was capable (his own phrase) "against the recognition in legislation of the fallacy that, under present conditions, there can be demonstrated a 'world price.'"

"Prior to the war," said Mr. Barnes, "when the transportation channels of the world were

open, when finance was ample to care for international exchange, when buyers and sellers were free to supply their demands, on the one hand and to offer their products, on the other, without the restraint now present as to transport and finance, there was much to be said as to the soundness of a world price. With all markets opened freely for trading, the general tendency of price probably fairly reflected the legitimate influence of supply and demand.

"But," Mr. Barnes continued, "to deliberately propose that we shall recognise a price made in Liverpool under present conditions, is national folly." They could not contemplate, said Mr. Barnes, "delegating to any other Government that a price level subject to control of that interested buyer shall be a basis for the marketing of any of our products." Again, later, he protested "that America shall not place the power to name the value of its products in the hands of any concentrated buying agency, no matter how friendly."

What did Mr. Barnes propose as the method by which the United States could "persuade" the European buyer to purchase at the American price? Stated quite simply, it was that the United States should, without regard to those considerations of sentiment to which *The Free Press* reverently refers, make full use of the power of dictation conferred upon it by its present financial strength. Mr. Barnes did not state it so baldly, but his meaning appears nevertheless with unmistakable plainness in the following passage from his address:

"Shall the United States, with its surplus wheat enter a world-wide competition for its sale, and thereby break down its own price; or shall it assume the position that what wheat it has for sale shall be at our price—pronounced fair to our producers,—particularly as, under present world conditions of transport and finance, it is quite probable that as much wheat can be sold in the aggregate on the one plan as the other? . . .

"Shall the aid of national finance be invoked to aid the sale of the national wheat surplus in case of need? For it is true, now as never before, that the question of international finance and the ability to make payment in some way is a factor in the marketing of products just as important as the factor of price at point of origin or the factor of government control or influence of ocean transportation.

"On this point I feel inclined to say that it seems to me very doubtful whether the United

The Movement of the 1918 Crop

Statements which have appeared during the last few months in certain Western newspapers reflecting adversely on the work of the Canadian Board of Grain Supervisors in relation to the movement of the 1918 crop are completely answered in an interesting record of the labours of the Board and of the problems with which it was called upon to deal, issued by Dr. R. A. Magill, the Chairman.

The document is too voluminous to permit of its reproduction in unabridged form in the columns of *The News*. However, by the condensation of the sections which hold the least interest for the general reader and by the omission of the elaborate statistical records, it has been found possible to bring it within the compass of some four or five pages which provide an interesting account of the crop movement.

The first section of Dr. Magill's very complete statement sets forth in detail the conditions which governed the movement of grain across the lakes in 1918.

The lake carriers of the United States, it appears, met at Cleveland on July 22, 1918, to formulate their plans for carrying the grain. They organized a Mobilization Committee to control the whole of the lake traffic. They hoped the Canadian lake carriers would adopt the same plans and operate through the same Mobilization Committee, and they were willing to give representation to the Canadian Companies on the Committee.

On July 30, 1918, the Canadian lake vessel owners met in Toronto to consider the matter.

They declined the proposal for joint mobilization, preferring to continue the arrangement made and operated during the fall of 1917, and they formulated their proposals for the carrying of Canadian grain during 1918.

Except in regard to the scheme for joint mobilization there was little or no difference in the resolutions which embodied the conclusions of these two gatherings. Both agreed to give preference to Lake Superior over Lake Michigan and to wheat over coarse grains. They agreed about unloading at Buffalo and upon a schedule of freight rates.

The American tonnage was to be allotted through the United States Grain Corporation at American ports and "tonnage to Fort William and Port Arthur under such direction or control or allotment as is acceptable to the Canadian authorities and to the Grain Corporation."

So far as American tonnage was concerned, the plan carried out was that the tonnage was mobilized by the Mobilization Committee, and such tonnage as that committee sent to Fort William and Port Arthur was allotted by or under the direction of The Wheat Export Company.

While the Canadian lake carriers declined the joint mobilization plan, they were opposed also to any control by the Canadian Government that would deprive them of the management of their own vessels. They proposed, therefore, to continue the plan of the previous season, that is, to manage and operate their

(Continued on next page)

(Concluded from page 22)

States can find, for any large amount of its products, buyers who are able to make payment in the pre-war manner, and that it may develop that extension of large national credits is not only absolutely necessary for the marketing at all, but even may be made the inducement by which the price competition is entirely offset or overcome."

That is a statement which no one can misunderstand. And in the light which it sheds on the prospect which faces the 1919 Canadian wheat crop in its progress towards the ultimate market, such arrangements as the Canadian Government may have in mind for the extension of credits to countries who are prospective purchasers of our wheat rise to a position of first importance in the interest of all grain growers. The assurance cannot be given too

soon that every possible effort is being made by the Canadian authorities to secure a place in these markets, and that, in the allotment of available credits, the manufacturing interests of Canada—naturally eager to secure the full measure of profitable foreign trade—are not being allowed to secure more than a fair share of such trade at the expense of the basic industry.

Recently a trade arrangement was made with Rumania by which that country will be given credits totalling \$50,000,000. Of this amount one-fifth is to be used for the purchase of raw material, one-fifth for food-stuffs and three-fifths for manufactures. It is not encouraging to hear it said that this division, as between agriculture and manufactures, will be made in all succeeding allotments of credits by the Canadian Government to foreign countries.

THE MOVEMENT OF THE 1918 CROP—*Continued from page 23*

own vessels and to do this, so far as grain was concerned, through a Chartering Committee consisting of their own agents in Winnipeg. All chartering of grain was to be done between the owner or shipper of grain and the Chartering Committee. And this was carried out, no chartering whatever was done by the Board of Grain Supervisors.

Further, tonnage sent by the vessel owners to carry grain from Fort William was to be allotted, or distributed amongst competing shippers of grain, by the Chartering Committee, "but under such instructions as to allotments as may be acceptable to the Wheat Export Company and the Canadian Government."

When the resolutions of the lake carriers were made public other shippers of grain objected to all the tonnage sent to Fort William and Port Arthur being allotted amongst shippers by the Wheat Export Company. They claimed that such a monopoly was unfair, with the result that in an Order in Council dated September 5, 1918, the power to allocate the tonnage was placed with the Board of Grain Supervisors. The Board was also empowered, following objections which had been made, to make regulations governing marine and shortage insurance, subject to approval by the Governor in Council. American tonnage was in no respect whatever subject to control of the Board of Grain Supervisors.

Canadian tonnage was in no respect whatever subject to the Board of Grain Supervisors, except in regard to the allotment or allocation, or distribution of it amongst owners or shippers of grain.

The Board could not compel any vessel owners to carry grain. The Board could not, and did not, charter vessels. The Board did not create and had no jurisdiction over the Chartering Committee. The Board did not refuse to load or accept any vessels offered. The Board's sole power was this, that once vessels were placed by the Chartering Committee for grain, the Board had the final word about what shippers were entitled to space.

The shippers of grain desired a system of distributing or allocating available tonnage fairly and they considered that the best plan would be to appoint a Shipper's Agent, paid by themselves, to act with the Chartering Committee and to see that each shipper received his fair share of tonnage. They decided to appoint Mr. Walter Hall as agent and this step was approved by the Board of Grain Supervisors.

The question whether the Canadian owned lake vessels would be sufficient to carry the whole of the Canadian crop was given careful consideration. The estimate of the quantity that Canadian vessels could carry during the season of navigation as given to the Board was, substantially, this, that if the Canadian-owned vessels all carried grain and nothing else, and if the grain reached the head of the lakes in sufficient quantity from the middle of September, Canadian-owned vessels could carry about 50,000,000 bushels before navigation closed.

This estimate was given early in the season. The Board of Grain Supervisors could not order Canadian vessel owners to refuse to carry other traffic; it could not commandeer Canadian-owned vessels for the purpose of carrying grain exclusively; and it could not guarantee that the crop would move early to the head of the lakes and in sufficient volume to ensure dispatch there.

As the days passed it was quite evident that the deliveries of grain from the farms to the elevators were light and late. It was also evident that receipts of grain at the lake front were light and that, if any quantity of Canadian wheat were to be moved across Lake Superior, the movement would be late in the season and every boat, whether Canadian or American, that could be secured, should be secured and that no limitation was desirable on the quantity shipped across the lakes, provided the eastern elevators could unload it. Under these conditions the Board regarded the aid of American tonnage as indispensable.

In chartering boats for grain the Chartering Committee proceeded upon two principles. First, the quantity of grain available at Fort William and Port Arthur, and second, the quantity of grain the Eastern elevators could unload.

The Chartering Committee divided the grain traffic among the vessel-owning companies furnishing boats, dividing it so as to give each vessel owning company its fair share of the grain traffic. They did so on the authority of the vessel owners themselves, who had created the Chartering Committee for the purpose of handling the grain. Each vessel-owning company was, therefore, given a share of the grain traffic as fairly as the vessel agents themselves could divide it in relation to the unloading capacity of the Eastern elevators.

One of the Canadian vessel-owning companies offered a vessel for grain more than it

was entitled to. Had that vessel been chartered for grain by the Chartering Committee, that company would have got more than its share of the grain traffic, and some other company would have got less than its share, but not a bushel additional grain would have been carried across the lakes, because the Eastern elevators were being supplied to their unloading capacity.

It has been said that the Board of Grain Supervisors refused to charter Canadian boats at a time when it was chartering American boats, and also at a time when there were not enough boats to carry the grain across the lakes.

Such statements are nonsense. The Board neither chartered nor refused to charter, nor had anything to do with chartering the steamers. The vessel companies did their own chartering through their own agents called the Chartering Committee. The incident in question was simply an attempt on the part of one company to get a larger quantity of the grain than it had allotted to it by a committee which it had helped to create; and had the Chartering Committee accepted that steamer some other company would have been deprived of that amount, and not an additional bushel of grain would have been carried across the lakes because the Chartering Committee was feeding the unloading elevators at the East to the limit of their capacity.

Complaint has been made that the Chartering Committee gave preference to the shipping of wheat over oats. The resolutions of both the American and Canadian lake carriers, to which reference has been made, show that preference was deliberately given to wheat over oats. This was due to, the fact that wheat must be supplied to the Allies first and foremost.

So far as Canadian oats of the crop of 1918-19 are concerned, the total quantity received by the elevators at the head of the lakes from September 1st to the close of navigation was 2,502,184 bushels. A quantity of oats had been carried over by some of the grain dealers from the previous crop, probably for higher prices. Preference was given to wheat on both sides of the boundary line, due to the insistence therefor from the Allied Governments.

The complaint, however, has been put in a different form, viz.: that the Board of Grain Supervisors gave preference to American oats over Canadian oats. The answer to this is

simple, the Board had nothing to do with the purchasing of oats in the United States, and had nothing to do with the shipping of United States grain to the Allies through Canadian ports until November 18, 1918.

The second section of Dr. Magill's report deals in detail with the movement of grain to country and terminal elevators. It is shown by the evidence of official records that the delivery of grain by farmers to country elevators—the movement which creates the reservoir and upon which all the later movement depends for its volume and rapidity—was later in time and smaller in volume during the season of 1918-19 than during the previous season. The records also show that the country elevators shipped as freely as the supply of grain and cars permitted and no foundation can be found for the statement that the elevator companies held back wheat in order to increase their storage earnings either at country or terminal points. This view is supported by the production of official statements comparing receipts and shipments with those of the previous year.

The general cause of the decrease which is observed is declared emphatically to be the deliveries by farmers to the country elevators. It is noted also, however, that there were additional causes which tended to retard the movement. Car service played its usual part, and the epidemic of influenza closed a number of stations altogether at the very busiest part of the season. Taking all these conditions into consideration Dr. Magill remarks that the wonder is that so much grain was moved from the country elevators to the lake front from the 1st September to the close of navigation in 1918.

The third and final section of the report deals with the movement of American grain through Canadian ports. The volume of American grain so moved during this season was so large as to excite much adverse comment in the Western press, the impression prevailing that the successful movement of the Canadian crop was being hampered by the use of Canadian transportation facilities for this purpose and in many quarters it was assumed that the responsibility for this situation rested with the Canadian Board of Grain Supervisors. Dr. Magill's statement

reveals the fact that neither the buying nor the shipping of American grain was under the control of the Board of Grain Supervisors. The Wheat Export Company, it appears, bought the American grain shipped through Canadian channels for the Allied Governments and not only bought the grain, but controlled the routing of it. The shipping through Canadian ports was controlled by the War Trade Board during one period and by the Canada Food Board during a longer period.

This section of Dr. Magill's statement will be of sufficient general interest to warrant its reproduction in full. It reads as follows:

"Two Orders-in-Council, Nos. P.C. 1776 dated 18th July, 1918, and P.C. 1869 dated 27th July, 1918, were enacted on the restriction of imports from the United States into Canada.

"These Orders-in-Council authorised the War Trade Board to regulate imports from the United States into Canada.

"Based upon these Orders-in-Council the Department of Customs issued on 31st July, 1918, Memorandum No. 2230-B. Paragraph No. 1 of this Memorandum reads:

'By order of the War Trade Board all articles specified in the Schedule to the said Order-in-Council appended hereto are approved for importation into Canada from the United States until otherwise ordered.'

Amongst the articles specified are wheat and wheat flour; United States grain was freely imported into Canada under the War Trade Board.

"On September 14, 1918, the Department of Customs issued Memorandum No. 2238-B. In a note to Paragraph 4 of that Memorandum it is stated:

'By arrangement between the War Trade Board and the Canada Food Board, Ottawa, the approval of licenses for certain articles double starred in Schedule G hereto is under the Canada Food Board.'

The articles double-starred include wheat and wheat flour.

"The Canada Food Board regulated imports from the United States into Canada from September 14, 1918, and so long as the Canada Food Board continued in control the Wheat Export Company was permitted to ship United States grain through Canadian ports to the Allied Governments without either limitations or licenses other than the indorsement of the Customs Department. This continued until November 19, 1918.

"On November 19, 1918, the Department of Customs issued Memorandum No. 2256-B. The second and third paragraphs of this Memorandum read:

'By arrangement between the War Trade Board and the Canada Food Board the approval of licenses for importation of wheat, barley, oats, rye, buckwheat, flax, peas and beans is hereafter under the Board of Grain Supervisors, Winnipeg.

'Import licenses for wheat, barley, oats, rye, buckwheat, flax, peas and beans when arriving by vessel or inland waters above Montreal will now be required in case of shipments in transit for export as well as shipments of same for home consumption.'

"The Board of Grain Supervisors had, therefore, no authority to restrict or limit or interfere with the import of United States' grain into Canada, or through Canadian ports, until the 19th November, 1918, and as navigation finally closed on the 12th December, the control of imports from the United States was under the Board only during the last three weeks of the shipping season.

"How much grain did the Board of Grain Supervisors permit to be shipped from the United States into Canada, or through Canadian ports, after it was given control on 19th November, 1918? The answer in detail is:

"On November 21st, the Board permitted the St. Lawrence Starch Company to import one cargo of corn (about 100,000 bushels).

"On the same date the Board permitted the Quaker Oats Company to import two million bushels of American oats for winter storage on vessels. The Board gave this permit because The Quaker Oats Company had made a contract with the Wheat Export Company and it required this quantity of oats to fill the contract.

"On the same date the Board gave permits to the Wheat Export Company for one cargo of American oats (about 300,000 bushels) already loaded, to be unloaded at arrival; 2,000,000 bushels of American oats for winter storage in vessels at Canadian lake ports.

"Mr. Stewart of the Wheat Export Company stated to the Board that the need for these oats was most urgent and that plans for shipping them through Canadian ports had been already completed.

"This is the total amount of United States' grain of all kinds that was imported into Canada from the United States, or shipped through Canadian ports, from the United

States, on the permission of the Board of Grain Supervisors after the Board had been given authority to regulate such imports.

"Most of the United States' grain shipped through Canadian ports was shipped prior to the date on which the Board of Grain Supervisors was given authority to regulate the imports of grain. On the grain shipped to the Allies through Canadian ports from the United States prior to that date the Board of Grain Supervisors was not consulted except in one case.

"There was a strike of elevator employees at Fort William and Port Arthur in the month of October, 1918. Mr. Stewart of the Wheat Export Company stated to the Board that there was considerable anxiety lest the strike should lessen the supply of wheat to the Allies. He stated that he could secure 5,000,000 bushels of American wheat to be shipped to the Allied countries through Canadian ports and he asked whether the Board of Grain Supervisors would object to the shipment of that quantity. The Board at that time had no power to prevent or control such shipments, and upon Mr. Stewart stating that this quantity would be needed to load vessels placed at Canadian Atlantic ports, the Board did not make any objection.

"On November 14, 1918, the Board learned that the Wheat Export Company proposed to place at Canadian Lake ports, vessels loaded with 10,000,000 bushels of wheat and four or five million bushels of oats for winter storage. Having no authority in the matter the Board protested to the Department of Trade and Commerce on the ground that preference should be given to vessels carrying Canadian grain.

"The matter was considered by the Government and while the Board of Grain Supervisors was given authority as above stated to regulate imports of grain from the United States on the 19th November, still permission was given to the Wheat Export Company to place the vessels carrying the American grain at Canadian ports.

"The Wheat Export Company bought American grain shipped through Canadian channels for the Allied Governments, and the Wheat Export Company not only bought the grain but controlled the routing of it. Neither the buying nor the shipping of American grain was under the control of the Board of Grain Supervisors.

"The shipping through Canadian ports was controlled by the War Trade Board during one period and by the Canada Food Board during a longer period as stated above. Probably these Boards were reluctant to interfere with the plans of the Allied Governments regarding the wheat supply.

"Normally the grain of Western Canada that is exported between harvest and the close of navigation cannot be handled through the Canadian Eastern outlet; a considerable portion of it is exported every year through United States' channels.

"Nothing has been more firmly proven by experience than the inadequacy of Canadian Eastern channels to handle the western grain exported between harvesting and the close of navigation. Whether the cause of this is to be found in the capacity of the railways to haul grain from the Eastern lake elevators to the seaboard, or whether the cause is to be found in the switching facilities at the elevators in Montreal, or whether it is to be found in the capacity of the elevators in Montreal either to unload the grain or to load it into vessels, or whether it is to be found in the inadequacy of ocean tonnage, the fact remains that much Canadian grain every year goes through United States' outlets, and it is not desirable so long as this condition exists to provoke anything like retaliation from the United States.

"The influenza epidemic last season still further lessened the capacity of the Canadian outlet, and the American outlet from Buffalo to the seaboard was congested with American grain.

"Whatever some Westerners may think of it, many in Eastern Canada regard it as good business for the Dominion to handle all the American grain that is offered. It is argued that this adds to the earnings of the railway companies, elevators, Canadian lake ports and Canadian sea ports, and it provides additional work for Eastern labour.

"Instead of opposing the handling of American grain through Canadian ports in 1918, these supported it strongly in the interest, as they claimed, of the Dominion.

"The shipping of American grain through Canadian ports did not lessen the supply of wheat to the Allied countries. When the armistice was signed the United Kingdom had twenty-two weeks' supply of wheat and flour within its border.

"The shipping of American grain through Canadian channels did not lessen the price paid to the Canadian farmer, and did not, so far as Western Canada is concerned, prevent him selling his wheat at any time he chose.

"The elevator capacity throughout the prairies was sufficient to take care of the wheat, and while in some districts, especially on the Canadian Northern line, there was difficulty in securing cars, still the statement stands that the Western farmer not only secured the full price, but in the main was able to dispose of his grain at any time he chose.

"So long as the producers can dispose of their wheat at the full price, and so long as the Allies secure sufficient supplies of wheat, it is idle to exaggerate the disadvantages of shipping American grain through Canadian ports.

"It would have been serious had the Allied Governments refused to buy the surplus of the Canadian wheat crop. The fact, however, is that the Allied Governments will purchase, or have purchased, the whole surplus of the Canadian wheat crop.

"It should not be forgotten that it is necessary to retain a certain amount of wheat in Canada for home consumption through the year.

"The net exportable surplus in Canada at the present time in the form of either wheat or flour is estimated at thirty million bushels, after Canadian consumption has been taken care of. Of this thirty million bushels a quantity must be retained within the Dominion

for the manufacture of flour for export. The Allied Governments will continue giving orders for flour to Canadian mills, and to fill these orders some of the thirty million bushels must be retained within the Dominion, and it must be retained in positions from which it is available to both Western and Eastern mills.

"How much flour the Allied Governments will buy from Canada from now to the end of the season is not yet known. The quantity of wheat to be exported as wheat is, therefore, not yet known. The milling capacity of the Dominion is eight million bushels of wheat per month, and provided sufficient orders for export flour were obtained, the total surplus of wheat in Canada to-day could all be ground into flour within the Dominion before the next harvest is due.

"But in any event, and whether it will be exported in the form of wheat or flour, the whole exportable surplus will be disposed of before the end of July.

"It should be remembered in this connection that owing to the immense accumulations of all kinds of food stuffs, and of other materials of war, there is no warehousing space available in the United Kingdom to-day, and time must be given to Great Britain to dispose of some of her accumulations.

"It should also be remembered that the British Government has freed British shipping, with the result that the Wheat Export Company cannot now get ocean tonnage either as quickly or in as large volume as when the British Government operated the vessels."

THE FARM AND RECONSTRUCTION.

"Agriculture is and must be the greatest factor in reconstruction. While our cities are planning vast projects along this line, the fact remains that the opportunity of every city lies in the country. The country can get along without the city, but no city can be permanently prosperous unless the farms in the territory from which it draws its trade are productive.

"The town is built on farm profits; upon what farmers produce in excess of their home needs. Towns are merely places to store and distribute the world's surplus products through the channels of commerce. Towns are consumers—not real producers. The one road to permanent city building leads to the farm."—Robert H. Moulton in *The Northwestern Miller*.

DOUBLE CAPACITY OF TERMINAL.

Plans for an addition to the Company's terminal plant at Port Arthur which will double its present storage capacity, were approved at a meeting of the Board of Directors held at the Head Office, Regina, on March 26th. Tenders for this work will be called for at once.

To the plant as originally built a year ago there has been added already a hospital elevator for the treatment of off-grade grain, with a capacity of 650,000 bushels, the only public hospital elevator at the head of the lakes. It is now proposed to meet the rapidly increasing demands upon the Company's terminal facilities by construction work which will give to the terminal storage warehouse an added capacity of 2,000,000 bushels.

The First Grain in the West

(By Chester Martin, Professor of History, University of Manitoba)

In the autumn of 1812, four or five men of the first band of Selkirk settlers sowed with winter wheat a little plot of land in what is now Point Douglas, in the city of Winnipeg. The story of grain growing in the west from that humble effort—a failure, by the way—to the triumphs of Red Fife, Marquis and Red Bobs, would be as fascinating a tale of agricultural development as it would be possible to find; but the wheat of the Red River Settlement was not the first cereal food harvested by man in the great west.

Nowhere in the temperate zone perhaps had the hand of nature provided more bounteously a supply of staple food for the wants of man. Upon the plains were innumerable herds of buffalo; old Sheriff Ross in that classic of pioneer days "The Red River Settlement," describes the slaughter of 2,500 of them in a single "hunt." The "titameg" or whitefish swarmed in the waters of the Red river and Lake Winnipeg. No fewer than 14,000 whitefish were taken by the settlers upon the retreat to Jack river after the disastrous affray of Seven Oaks, in 1816. And in the sedgy marshes of lake and stream grew the wild rice—an occasional ingredient of that famous concoction known as "pemmican," and a staple article of food for more than one adventurous party in the precarious fur trade. Rice lake and Rice river suggest the sub-tropical fields of the far east. Their names, as a matter of fact, are derived from the most characteristic indigenous cereal in the great west.

The making of pemmican, we are told, has become a lost art; though the Lord Selkirk Association at their annual banquets still include in their menu the Scottish bannock and buffalo "pemmican" prepared in strict conformity with the traditions of the early days. Next to the mysteries of the chase and the fur trade, at any rate, the gathering of the wild rice by the Indians of the Winnipeg river forms one of the most curious reminders of the days when the mazes of the western waterways were stirred only by the silent paddle of the red man and the voyageur.

The rice fields are to be found in shallow lakes of moving water or in marshy recesses of the river where the water is neither stagnant nor swift. The rice grows best in water from two to four feet in depth where the bed of the

lake or stream is free from the extreme of spring flood and summer drought. Rooted in the mud, it rises from the water in slender green stalks which are almost indistinguishable to the untrained eye, from the prolific reeds and grasses that line the shallow reaches of our waterways. The grain reaches maturity as a rule about the second week of September, and when detached from the rice plant resemble somewhat in appearance the kernel of unripened oats.

Into this waving field the Indian drives his canoe by means of a pole provided with a blunt prong in the shape of an inverted "Y", in order to avoid too deep a thrust into the oozy bottom of the river-bed. The rice plants are then bent over the gunwales, and sharp blows from a stout stick some 12 or 18 inches in length serve to shake the wild rice in little showers into the bottom of the canoe, until it is heaped to the gunwales and the occupants half buried in the green grain. The lazy dip of the paddle as the canoe turns homeward to the encampment affords a curious contrast to the whirring harvesters of "No. 1 hard."

The rice is stored for a time in bins carefully protected from rain or moisture. The "elevator" process, in this case, comes before the threshing, for the gathering of the rice is usually the work of the men while the rest of the process devolves largely upon the squaw.

The "threshing" is perhaps the most curious process of all. A slow fire is built of parallel logs, on both sides of which large pans—tin "wash-boilers," in fact—are placed upon the hot coals. In each of these a half-bushel or less of the unthreshed rice is stirred incessantly by squaws seated before the fire "Indian fashion." The steam rises in little clouds, and the encampment is frequently filled with the aroma of the fragrant half-parched rice. When quite dry and just beginning to "brown," the grain is removed from the pans for the third stage of the process.

This consists of "threshing" and winnowing by a very curious method. A cavity in the ground, perhaps 18 inches deep and slightly less in diameter, is lined with hard clay, which becomes in process of use almost as hard as

(Continued on next page)

The Department of Publicity



Mr. E. C. Dawson, who has been placed in charge of the Department of Publicity and, in that capacity, will be responsible for the editorial direction of *The News*, brings to the service of the Company a varied experience of newspaper work in Western Canada. A native of England, he came to Canada about fifteen years ago and, except for the few years which he spent as a student of Trinity College, Toronto, has lived wholly in the West. He gained his first experience of newspaper work nine years ago, as a reporter on the staff of *The Edmonton Bulletin*. After two years spent with that paper he went to *The Calgary Albertan*, where he was engaged first as reporter, but later filled other positions of greater responsibility on the editorial staff. In 1912 he became editor of *The Daily News*, then published in Brandon, leaving that position early in the following year to become editor of *Prairie Farm and Home*, a weekly journal

devoted to matters of interest to farmers in Saskatchewan. After four years given to this work, Mr. Dawson, in October, 1917, joined the staff of *The Manitoba Free Press*, where he was engaged as editorial writer until January of this year, when he joined the staff of this Company.

PRESENTATION TO JOHN THORDARSON. (From The Regina Leader)

Fifty or more officials and members of the operating staff of The Saskatchewan Co-Operative Elevator Company gathered at the Assiniboia Club, Regina, for a farewell banquet and presentation to John Thordarson, who, after an association with the company which dates from the time before the first bushel of grain was handled by this organisation, leaves for Calgary, where he has accepted the position of Alberta manager for the N. Bawlf Grain Company.

Generous tribute to the service rendered to the company by Mr. Thordarson was paid by the Hon. Geo. Langley, the Vice President, who, on behalf of the Company made the presentation of an exceedingly handsome cabinet of cutlery. Similar testimony was given by Messrs. J. B. Musselman, Thos. Sales and W. C. Mills, members of the directorate, and N. E. Knudtsen, the company's engineer, Messrs. Dan McRae and O. M. Cleveland, divisional superintendents, and W. J. Lawless, on behalf of the travelling superintendents. All spoke of the friendly feeling for Mr. Thordarson entertained by all his associates, and expressed their confidence in the success of his new undertaking.

Mr. Jas. Robinson, Managing Director, on behalf of Mr. Thordarson's working associates,

made the presentation of a solid gold chain with locket suitably inscribed.

Mr. Thordarson in a brief speech, made a suitable acknowledgment of the presentations, and the kindly feelings which had found expression in the several speeches, paying generous tribute to the loyalty exhibited during his long association with the company by members of the operating staff.

Mr. F. W. Riddell, the General Manager, performed the duties of toastmaster. The speeches were interspersed with vocal numbers rendered by Messrs. W. J. Lawless, F. W. Riddell, W. C. Mills, G. G. Whyte and J. H. Duckett. Mr. C. Palmer was the accompanist, and also rendered several pleasing pianoforte selections.

FIRST GRAIN IN THE WEST

Continued from page 29

pottery. The edge of the hole is neatly lined with woven grass in order to prevent sand or earth from falling in. A peck or so of the "browned" rice is placed in the cavity, and one of the men—donning it is to be hoped a pair of clean moccasins for the purpose—treads out the rice while the squaws winnow the chaff away with fans of birch bark.

Sentiment and Service

No enterprise in the world of commerce ever thrived by sentiment alone. Permanent support for a business venture was never gained and held except by service rendered or assured.

If this company of Saskatchewan farmers—seven years ago a despised infant, making its first timid efforts in the grain marketing world—holds its place today as the largest single grain marketing concern on this continent, it does so because it has repaid loyalty with service.

And if the amazing growth which it has made is to be maintained, it can be only because loyal support freely accorded by the farmers of Saskatchewan to the organization of their own making, earns for them in the future as in the past the rich interest of continued and increasing service.

So, when we appeal for continued and increasing loyalty on the part of our shareholders it is something for which we ask as for an investment on which we must make quick return of interest in service rendered.

The assurance that we can make good our promises is to be found in the record of things already done. We stand where we are today because we have been able to show the Saskatchewan farmer that we can make "Grain" spell "Gain."

But, with this indisputable fact in mind, it is still true that the loyalty of the individual shareholder has been and must remain a vital factor in the growth of this Company.

We are different from the ordinary grain marketing concern inasmuch as we are an organization of farmers brought into existence to render service to farmers. And without the initial investment of loyalty with which we commenced business our first efforts must have failed.

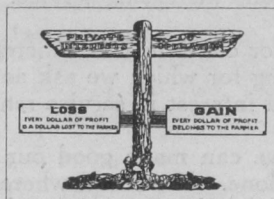
And today the loyalty of each one of our 22,000 shareholders is not less essential than was that of each of the 2,500 who comprised the first forty-six locals.

Our situation at this time differs from that in which we began our efforts only inasmuch as we have grown in strength and, therefore, can hope for more by the right exercise of this added power.

The limit of our achievements now as then is represented by the sum total of our co-operative efforts.



T. A. CRERAR, ESQ.,
 * GRAIN GROWERS COMPANY,
 WINNIPEG MAN.



WHICH?

RIGHT or LEFT?
 RIGHT is MIGHT
 KEEP to the RIGHT

AND

BILL YOUR CARS

ADVISE

**Saskatchewan Co-operative
 Elevator Co. Limited, Winnipeg**

Head Office
 REGINA

Commission Dept.
 Terminal Elevator Dept.
 WINNIPEG

